

# RAILS IN LEAD AT STOCK SESSION

## "Preparedness" Sounds Key-note in New York Stock Market.

# RAILS SHOW STRENGTH IN THE CLOSING TRADES

## Western Union Leads in the Utility Group, Gaining More Than Three Points.

NEW YORK, May 13.—Preparedness seemed to sound the keynote of today's short but active session, stocks of companies which are likely to benefit by national emergency measures being the strongest features. Included among these were the motors, Studebaker being the most active issue, with an extreme advance of 7 points, to 141, with 9 for General Motors, at 270, and for Willys-Overland, at 450.

Crucial in the Locomotive and other industrial and equipment shares coming within the scope of war contract issues were higher by 1 to 3 points. Overland, Locomotive and Western Union were the most helpful to the Mexican group, those displaying marked firmness. Shipping stocks, however, were specialties served to raise the general level of prices materially above the corresponding period of the previous week.

Rails to the Front.

Rails were variable for a time, but came forward later, Reading recording a new high record on its two-point advance to 90 1/2. New Haven and "Big Four" were in further demand and shares of the cotton roads were favorably affected by earnings of the Southern railway system. Low-priced rails, including Rock Island, Erie, Erie and Washburn, denoted continued advance.

United States Steel and coppers followed the general trend in moderate degree and the usual unclassified stocks made irregular gains. Total sales of stocks amounted to 273,000 shares.

Routine news was of the familiar week-end character, including reviews of the Mexican situation, the market for foreign exchange, France hardening a fraction, while marks were stronger, and a further contraction in reserves, bringing exchange rates to below \$25.00000 and against \$172,000,000 a year ago, were the striking items contained in the weekly bank statement.

Bonds were firm, but lacked special features. Total sales (par value), 1,000,000. United States bonds were unchanged on call during the week.

# Diplomatic Troubles Figure as Factor in Stock Market

NEW YORK, May 13.—Passing of the crisis with Germany and increasing tension in the Mexican situation were the conflicting elements around which this week's stock market most often revolved. Early dealings reflected speculative caution on the part of the public, but this feeling was lost in a wave of optimism yesterday and today when enthusiasm and war contract issues, particularly the automobile stocks, rose in spectacular fashion.

There was a far better inquiry into the week for rails of various classes, notably Rock Island and former Gould stocks, suggesting steady accumulation.

Rock Island Prominent.

In the case of Rock Island the demand probably resulted from the belief that the company's financial prospects justify an early discharge of the receiver. Reading and Canadian Pacific featured the investment group, the former being lifted to the highest price in its history. The new automobile feature was the United States Steel, which continued to lag in the face of its brilliant April statement, showing an increase over the same month of last year of no less than 135 per cent. Other industrial shares of the same class were retarded by the same factor, but metals held firm, although some speculations of the recent demand for copper were reported.

Peace Talk Discredited.

There was little in the movement of foreign exchange to give credence to peace talk. Easing of sterling rates, which caused a renewal of gold imports from Canada, and the strength of remittances to Germany, which have been the consequence of the selling of American securities for German interests, were the contrasting features of that market.

Bank clearings continued to keep up with the increase of railroad tonnage and extension of the business. The financial embarrassment of the known local merchandising concern, because of its failure to meet its obligations in no sense symptomatic of general conditions.

There was some hardening of money rates for long time accommodations, a factor which contributed to the reason that is expected to increase the candle demands at leading centers of trade.

# Warring Nations in Europe Place Big Orders for Steel

NEW YORK, May 13.—Agents of the entente allied governments have proceeded during the week in placing contracts with American mills for a little more than 300,000 tons of blooms and round steel bars for the manufacture of projectiles in Europe.

The significant fact is that all of the shipments are to be made this year and 150,000 tons additional are under negotiation for shipment in 1917. The bulk of the orders are for the French government, but 30,000 tons were for direct export to Russia. The railroads are placing liberal orders for motive power, and bridges, but contracts for rails and cars are small in proportion. The rail mills

# WEEKLY FISCAL STATEMENT OF FEDERAL RESERVE SYSTEM

Net gains of \$5,000,000 in gold, \$2,500,000 in cash assets and \$7,500,000 in bank deposits of the Federal Reserve banks are shown in the board's weekly statement of the condition of the Federal Reserve system, issued yesterday. Earnings assets of the banks stand at \$300 per cent of the paid-in capital, as compared with 189 per cent three months ago. The New York, Philadelphia and Minneapolis banks reported the largest net gains in deposits.	From eleven to thirty days..... 18,482,000 From thirty-one to sixty days..... 20,124,000 From sixty-one to ninety days..... 2,900,000 Over ninety days..... 2,900,000 Total..... \$44,406,000
Total..... \$44,406,000	Investments..... \$51,268,000
One-year United States Treasury notes..... \$8,840,000	Other securities..... \$42,428,000
Total earning assets..... \$144,084,000	Federal Reserve notes, net..... \$28,033,000
Due from Federal Reserve banks, net..... \$1,732,000	Due from other banks..... \$4,801,000
All other resources..... \$2,810,000	Total resources..... \$331,193,000
LIABILITIES..... \$331,193,000	
Capital paid in..... \$454,800,000	
Government deposits..... \$38,153,000	
Reserve deposits..... \$2,810,000	
Federal Reserve notes, net..... \$28,033,000	
Due from Federal Reserve banks, net..... \$1,732,000	
All other liabilities..... \$1,732,000	
Total..... \$331,193,000	

# FINANCE—LOCAL AND OTHERWISE.

Book values, while in a way a criterion of actual value of capitalization, capital, surplus and undivided profits, fail to a certain extent because surplus and capital are not in actual cash. If they were the values would be exact.

Both capital and surplus are frequently invested to an extent, at least in real estate and building property. Frequently, too, a bank or trust company has written off much of the actual value of its realty and building investment—a good business policy, and occasionally, too, some padding may have taken place.

The twelve months covered in the appended valuations, from May 1, 1915, to May 1, 1916, were generally speaking, not very prosperous months for the banks of Washington.

There are exceptions, but as a rule it was impossible to find suitable employment for the large deposits, the largest on record, and apparently in the right place.

By buying bonds, watching their market closely, getting in and out with a profit or at least not losing some, the banks have been able to add a little to the valuation of their shares.

Some have lost small amounts, probably due to charging of certain items.

The following table gives some idea of the changes in the book values of the banks, trust companies and savings institutions listed on the Washington stock exchange, prepared by the controller of the currency, as at the close of business May 1, 1916, as compared with the values at the close of business May 1, 1915.

Valuation is for \$100 of capital, interest and surplus.

The bid price for the stocks named on the stock exchange yesterday is also added, to indicate the change in market values, these being also on the basis of \$100 of capital.

# COTTON MARKETS.

NEW YORK, May 13.—The cotton market was comparatively quiet this morning, but many small scattered accounts had probably been evened up during yesterday's trading and, with many brokers making final plans for the week-end, the market was naturally restricted. After selling at 13.01 on the call, July contracts closed at 12.89, the general closing at 12.93, with the general list closing steady at a net advance of 3 to 4 points.

The market opened steady at an advance of 4 to 5 points in response to the relatively steady closing of the futures sold at 13.15 and December at 13.29 on the call; there seemed to be some buying of the market with Liverpool connections. Otherwise, however, demand was limited, while the general sentiment was encouraged to some extent by the news of the immediate peace prospects called here from London, the rather bearish view of the market, however, did not promote any general or aggressive selling and, after easing off to 13.05 for October and 13.15 for December, trading was very quiet after the first hour. The census figures indicated a month of April amounting to 102,942 bales, including 17,236 bales of lint, compared with 89,536 bales, including 17,236 bales of lint, for the month of May. Port receipts today, 23,246 bales; for the season, 6,775,996 bales; today, 26,121; for the season, 4,622,216. Stock, 1,162,500.

# UNLISTED INSTITUTIONS.

There are quite a number of institutions that have not listed their securities on the local stock exchange, but are prominent of these being the Munsey Trust Company, Franklin National and Du Pont National.

Comparative statistics of book values a year ago are not at hand and the valuations are therefore given on the basis of a year ago, and are also for each \$100 of capital, irrespective of par value of the shares:

BOOK VALUES OF BANKS NOT LISTED ON EXCHANGE	May 1, 1915	May 1, 1916
American National Bank	\$111.71	\$139.60
Bank of America	129.00	139.00
Bank of New York	129.00	139.00
Bank of the City	129.00	139.00
Bank of the North	129.00	139.00
Bank of the South	129.00	139.00
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